

Management's Discussion and Analysis

For the Year Ended: December 31, 2014

Date of Report: April 22, 2015

This management's discussion and analysis of the financial condition and results of operation ("MD&A") of Quinsam Capital Corporation ("Quinsam" or the "Company") should be read in conjunction with Quinsam's audited financial statements ("year-end statements") and notes thereto as at and for the twelve months ended December 31, 2014.

Except as otherwise indicated (see "Use of Non-GAAP or IFRS Financial Measures" elsewhere in this MD&A), all financial data in this MD&A has been prepared, in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

All dollar amounts in this MD&A are reported in Canadian dollars.

Caution Regarding Forward-Looking Information:

Certain information contained in this MD&A constitutes forward-looking information, which is information regarding possible events, conditions or results of operations of the Company that is based upon assumptions about future economic conditions and courses of action and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, without limitation, our expectations regarding anticipated investment activities and results, the impact of changes in accounting policies and other factors on our operating results, and the performance of global capital markets and interest rates.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: risks relating to investment performance and our ability to generate taxable income from operations, our ability to realize sufficient proceeds from the disposition of our investments in order to fund our obligations as they become due (which will be based upon market conditions beyond our control), market fluctuations, fluctuations in prices of commodities underlying our interests and equity investments, the strength of the Canadian, U.S. and other economies, foreign exchange fluctuations, political and economic conditions in the countries in which the interests of the Company's portfolio

investments are located, and other risks included elsewhere in this MD&A under the headings "Risk Factors" and "Financial Instruments" and in the Company's current annual information form and other public disclosure documents filed with certain Canadian securities regulatory authorities and available under Quinsam's profile at www.sedar.com.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Although the Company has attempted to identify important factors that could cause actual events and results to differ materially from those described in the forward-looking information, there may be other factors that cause events or results to differ from those intended, anticipated or estimated. The forward-looking information contained in this MD&A is provided as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

About Quinsam:

Quinsam was incorporated in 2004 under the Canada Business Corporations Act in the Province of British Columbia and its shares are publicly traded on the Canadian Securities Exchange (the "CSE") under the symbol "QCA". The Company is presently domiciled in the Province of Ontario, Canada and its registered office address is at 390 Bay Street, Suite 806, Toronto, Ontario, Canada, M5H 2Y2.

Quinsam is a merchant banking firm focused on the small-cap market. Our merchant banking business may encompass a range of activities including acquisitions, advisory services, lending activities and portfolio investments. Quinsam invests its capital for its own account in assets, companies or projects which we believe are undervalued and where we see a viable plan for unlocking such value. We do not invest on behalf of any third party and we do not offer investment advice.

Overall Performance and Investments:

As at December 31, 2014, the Company held cash and investments at fair value totaling \$2,665,601 as compared to \$824,997 as at December 31, 2013. The increase in value was primarily attributable to private placements completed during the year totaling 11,837,660 shares for net proceeds of \$1,275,527 and from realized gains on the sale of securities during the year of \$745,371, net of costs to manage the business and the disbursement of dividends to shareholders.

As at December 31, 2014, the book value per share ("BV per share") on an issued and outstanding basis was \$0.10 as compared to \$0.06 as at December 31, 2013.

The following is Quinsam's book value per share for the eight most recently completed interim financial periods:

	BV Per Share (\$)
December 31, 2014	0.10
September 30, 2014	0.11
June 30, 2014	0.08
March 31, 2014	0.08
December 31, 2013	0.06
September 30, 2013	0.05
June 30, 2013	0.05
March 31, 2013	0.05

Investments:

Investments at cost and fair value consist of the following as at December 31, 2014:

Investments	Cost	Fair Value			Total Fair Value
		Level 1	Level 2	Level 3	
Equities	\$ 2,160,586	\$ 1,961,964	-	\$ 50,000	\$ 2,011,964
Warrants	52,710	200	114,500	-	114,700
Convertible Debentures	450,000	-	-	450,000	450,000
Total Investments	\$ 2,663,296	\$ 1,962,164	\$ 114,500	\$ 500,000	\$ 2,576,664

Investments at cost and fair value consist of the following as at December 31, 2013:

Investments	Cost	Fair Value			Total Fair Value
		Level 1	Level 2	Level 3	
Equities	\$ 530,284	\$ 545,890	-	-	\$ 545,890
Warrants	-	3,250	-	-	3,250
Total Investments	\$ 530,284	\$ 549,140	-	-	\$ 549,140

The fair value of Quinsam's publicly-traded investments is determined in accordance with the Company's accounting policy. The amounts at which the Company's publicly-traded investments could be disposed of currently may differ from their carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity, and current market prices may differ significantly from the historical prices used to calculate fair value for the purposes of the Company's financial statements.

In cases where there is no quoted market, the shares are valued at the lower of cost or realizable value based upon Management's best estimate.

If there is no quotable market for Warrants, the investments are valued at their intrinsic value.

Results of Operations:

The Company's selected annual financial information as at and for the three most recently completed financial years ended December 31 is as follows:

	2014	2013	2012
Net investment income	\$ 677,352	\$ 26,340	\$ 3,105
Net income/ (loss) for the year	\$ 570,452	\$(41,642)	\$ (34,597)
Total comprehensive income/(loss) for the year	\$ 570,452	\$(41,642)	\$(150,359)
Income/ (loss) per share- basic	\$0.03	(\$0.01)	(\$0.03)
Income/ (loss) per share- diluted	\$0.03	(\$0.01)	(\$0.03)
Total assets	\$ 2,692,209	\$ 831,063	\$246,532
Total liabilities	\$ 16,222	\$ 24,016	\$ 11,506
Shareholders' equity	\$ 2,675,987	\$ 807,047	\$235,026

The Company's selected quarterly results for the eight most recently completed interim financial periods are as follows.

	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Net Investment Income/ Revenue	\$(216,404)	\$ 690,950	\$ 85,510	\$ 117,296	\$ 24,387	\$ 661	\$ 666	\$ 626
Comprehensive Income/(loss)	\$(268,443)	\$ 671,741	\$ 62,276	\$ 104,878	\$ (28,906)	\$ (4,389)	\$ (2,327)	\$ (6,020)
Working Capital	\$2,675,987	\$2,546,173	\$1,868,238	\$1,805,962	\$ 807,047	\$ 222,290	\$ 226,679	\$ 229,006

Shareholders' Equity	\$2,675,987	\$2,546,173	\$1,868,238	\$1,805,962	\$807,047	\$222,290	\$226,679	\$229,006
Net Book Value/ Share	\$ 0.10	\$ 0.11	\$ 0.08	\$ 0.08	\$ 0.06	\$ 0.05	\$ 0.05	\$ 0.05
Share Outstanding	26,407,660	23,777,660	23,777,660	23,777,660	14,570,000	4,570,000	4,570,000	4,570,000

The shares were consolidated on a one new for five old shares in Q3/2012

Three Months Ended December 31, 2014 and 2013:

The net investment revenue for the three months ended December 31, 2014 was (\$216,404) (three months ended December 31, 2013 - \$24,387) as a result of net realized gains on the sale of investments of \$386,764 and the net change in unrealized loss on investments (\$615,846). The loss was primarily due to two factors. In late Q3, one of our portfolio holdings became publicly listed and we recorded a large realized gain on the sale of a portion of our holdings. In Q3, the price of this security fell and a portion of our unrealized gains were erased. Also, there was softness in the oil and gas markets and an overall softness in the small cap marketplace in the quarter. While we lost money in Q4, in the context of the very difficult market conditions brought about by the decline in the price of oil, management is satisfied with the performance of its portfolio.

For the three months ended December 31, 2013, the Company generated net realized gains on disposal of investments of \$4,850 and had a net change in unrealized gains on investments of \$18,856.

For the three months ended December 31, 2014, other income totaled \$12,678 as compared to \$681 for the three months ended December 31, 2013. Other income is comprised of interest advisory services and dividend income.

Operating, general and administrative expenses for the three months ended December 31, 2014 decreased to \$52,039 from \$53,295 for the three months ended December 31, 2013. A substantial portion of the operating costs (\$40,546) in the quarter were related to stock based compensation expense relative to the issuance of stock options vesting on a quarterly basis over a five year period.

Net loss for the three months ended December 31, 2014 was \$268,443 (\$0.01 per share) as compared to a net loss of \$28,906 (\$0.005 per share) for the three months ended December 31, 2013.

Year ended December 31, 2014 and 2013:

The net investment revenue for the year ended December 31, 2014 was \$658,499 (2013 - \$23,706) as a result of net gains on the sale of investments of \$ 745,371 (2013 - \$4,850) and the net changes in unrealized gains/(losses) on investments of (\$ 86,872) (2013 - \$18,856).

For the year ended December 31, 2014, other income totaled \$18,853 as compared to \$2,634 for the year ended December 31, 2013. Other income is comprised of interest, dividend income and other revenue generated from corporate financial advisory services.

Operating, general and administrative expenses for the year ended December 31, 2014 increased to \$106,900 from \$67,982 for the year ended December 31, 2013. A breakdown of operating, general and administrative expenses for the indicated twelve month periods ended December 31 is set out below.

	2014 (\$)	2013 (\$)
Salaries, bonuses and other employee benefits	0	0
Stock-based compensation	46,740	22,449
Consulting and directors' fee	16,000	500
Professional fees	17,846	24,506
Transfer agent, filing fees	17,296	17,588
Travel and promotion	3,340	354
Other office and administration	5,678	2,585

Net and comprehensive income for the twelve months ended December 31, 2014 was \$570,452 (\$0.03 per share) as compared to a net and comprehensive loss of \$41,642 (\$0.01 per share) for the twelve months ended December 31, 2013.

Cash Flow:

Net cash used in the operations for the twelve months ended December 31, 2014 was \$82,739 as compared to \$46,640 in the twelve months ended December 31, 2013.

During the twelve months ended December 31, 2014, the Company raised a net total of \$1,275,527 via the sale, by way of private placement, of 11,837,660 common shares of the Corporation.

Liquidity and Capital Resources:

	December 31, 2014	December 31, 2013
Total Assets	\$ 2,692,209	\$ 831,063
Total Liabilities	\$ 16,222	\$ 24,016
Shareholders' Capital	\$ 2,129,314	\$ 2,338,056
Retained Earnings/ (Deficit)	\$ 546,673	\$ (1,531,009)
Net Asset Value Per Share	\$ 0.10	\$ 0.06

Quinsam relies upon various sources of funds for its ongoing operating and investing activities. These sources include proceeds from dispositions of investments, interest and dividend income from investments, consulting fees, capital raising activities such as private placement debt and equity financings.

Quinsam believes it will be able to generate sufficient cash to fund its normal course of operations through the normal course of purchase and sales of existing investments.

Liabilities:

The Company's present liabilities are limited to trade payables incurred in the normal course of day to day business.

Commitments:

As at December 31 2014, the Company had commitments for cash resources of \$16,222 (December 31, 2013 - \$24,016) which are detailed below. The available cash on hand is sufficient to pay these commitments as at December 31, 2014.

A breakdown of the Company's liabilities and obligations as at December 31, 2014 is as follows:

	Total Due	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
A/P and Accrued Liabilities	\$ 16,222	\$ 16,222	-	-	-

A breakdown of the Company's liabilities and obligations as at December 31, 2013 is as follows:

	Total Due	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
A/P and Accrued Liabilities	\$24,016	\$24,016	-	-	-

Related Party Transactions:

All transactions with related parties have occurred in the normal course of operations. Related party transactions were as follows during the twelve months ended December 31:

Type of Service	Nature of Relationship	2014	2013
Salaries	Directors and Officers	-	-
Director fees	Directors	-	\$ 500
Stock based compensation	Directors and Officers	\$ 46,740	\$ 22,949

During the year ended December 31, 2014, the Company granted to directors and officers the following options:

Date Granted	Options Granted	Exercise Price	Expiry Date
July 27, 2014	1,926,000	\$ 0.10	July 27, 2019

During the year ended December 31, 2013, the Company granted to directors, officers and consultants the following options:

Date Granted	Options Granted	Exercise Price	Expiry Date
October 29, 2013	450,000	\$ 0.10	October 29, 2018

Off-Balance Sheet Arrangements:

As at December 31, 2014 and December 31, 2013, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of Quinsam.

Investor Relations:

During the twelve months ended December 31, 2014, Quinsam's management handled the Company's investor relations activities.

Internal Controls Over Financial Reporting:

Management's Report on Disclosure Controls and Procedures:

Disclosure controls and procedures have been designed to provide reasonable assurance that all material information related to the Company is identified and communicated on a timely basis. Management of the Company, under the supervision of the disclosure committee, is responsible for the design and operations of disclosure controls and internal control over financial reporting. There have been no changes in the Company's disclosure controls and procedures during the year ended December 31, 2014.

Internal Control over Financial Reporting:

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. However, the Company's management, including its Chief Executive Officer and Chief Financial Officer, believe that due

to inherent limitations, internal control over financial reporting may not prevent or detect all misstatements and fraud or on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2014 that have materially affected or are reasonably likely to materially affect, the Company's internal control over financial reporting.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this MD&A and the financial statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the audited financial statements.

Management of Capital:

The Company includes the following items in its managed capital as at the following dates:

	December 31, 2014	December 31, 2013
Share Capital	\$ 2,055,625	\$ 2,311,107
Options Reserve	\$ 73,689	\$ 26,949
Retained Earnings/ (Deficit)	\$ 546,673	(\$ 1,531,009)

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets.

There were no changes to the Company's objectives in managing and maintaining capital during the twelve months ended December 31, 2014.

The Company's management is responsible for the management of capital and monitors the Company's capital on a daily basis. The Company expects that its current capital resources will be sufficient to discharge its liabilities as at December 31, 2014.

Risk Management:

Financial Instrument Risk:

The Company's financial instruments primarily consist of investments in publicly listed companies. The investment operations of Quinsam's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets and liabilities currently

comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including liquidity, market, interest rate, currency and credit risks. A discussion of the Company's use of financial instruments and their associated risks is provided below.

Liquidity Risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines resulting in lesser proceeds from disposition and losses upon disposition.

The Company generates cash flow primarily from the issuance of share capital, proceeds from the disposition of its investments in addition to interest and dividend income earned on its investments. Quinsam invests significantly in securities of "junior" issuers, which can at times be relatively illiquid, and if the Company decides to dispose of securities of a particular issuer it may not be able to do so at the time at favourable prices, or at all. Overall, the Company has sufficient marketable securities that are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions such that, absent overall market disruptions or extreme circumstances, liquidity risk can be minimized.

There were no significant or material changes to the Company's risk management policy during the twelve months ended December 31, 2014.

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as of December 31, 2014:

	Carrying Amount	Within 1 year	1 year to 3 years	3 years to 5 years
Accounts payable and accrued liabilities	\$ 16,222	\$ 16,222	\$ -	\$ -
	\$ 16,222	\$ 16,222	\$ -	\$ -

Market Risk:

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

Additionally, in accordance with IFRS 9, Quinsam is required to fair value its investments at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on Quinsam's financial position.

There were no changes to the way that the Company manages market risk since December 31, 2013. The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer or class of issuers.

The Company also has set thresholds on purchases of investments over which the approval of the Board of Directors is required. During periods of significantly broader market volatility or volatility experienced by the small cap sector, the value of the Company's investment portfolio can be quite vulnerable to market fluctuations. As at December 31, 2014, a 1% change in the market value of investments would impact net investment revenue by \$25,766 per quarter.

Interest Rate Risk:

Interest rate risk is the impact that changes in interest rates could have on the Company's profit and liabilities. As at December 31, 2014, the Company did not have any significant interest rate risk.

Currency Risk:

Currency risk is the risk that the fair value of or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's operations are exposed to foreign exchange fluctuations, which could have a significant adverse effect on its consolidated results of operations from time to time.

The Company believes that it is not exposed to foreign exchange risk as at December 31, 2014.

There were no significant or material changes to the Company's risk management policy during the twelve months ended December 31, 2014.

Additional risks not currently known to the Company or that are currently believe to be immaterial, may also affect and negatively impact the Company's business.

Credit Risk:

Credit risk is the risk associated with the inability of a third party to fulfill its payment obligations. The Company is exposed to the risk that third parties that owe it money or securities (convertible securities, for example) will not perform their underlying obligations. There were no changes to the way that the Company manages credit risk since December 31, 2013. As at December 31, 2014, the total fair value of the Company's investments in convertible debentures, convertible notes, and promissory notes was \$450,000 (2013 - \$0). The Company believes that it is not significantly exposed to credit risk, as these investments comprise 17.5% (2013 - 0%) of the Company's total investments.

RISK FACTORS

The Company's investing activities are, by their nature, subject to a number of inherent risks, including liquidity, market, interest rate, currency and credit risks associated with financial instruments, all of which can have, and have had over recent reporting periods, a significant impact on the Company's financial condition and results of operations. Stock market volatility may result in increased market risk and losses within our investment portfolio.

Some risks are described below. Additional risks not currently known to us, or that we currently believe to be immaterial, may also affect and negatively impact our business.

Portfolio Exposure:

Given the nature of the Company's activities, its results of operations and financial condition are dependent upon the market value of the securities that comprise the Company's portfolio. Market value can be reflective of the actual or anticipated operating results of our portfolio companies and/or the general market conditions that affect the sectors in which Quinsam invests. Quinsam's investments are mostly in small-cap businesses which the Company believes exhibit potential for growth and sustainable cash flows but which may not ever mature or generate the returns the Company expects or may require a number of years to do so.

Junior exploration, biotechnology and technology companies may never achieve commercial discoveries and production. This may create an irregular pattern in the Company's revenues (if any). Additionally, macro factors such as fluctuations in commodity prices and global political, economic and market conditions could have an adverse effect on one or more sectors to which the Company is exposed, and a disproportionate effect on the sectors as compared to the overall market, thereby negatively impacting one or more of the portfolio companies concurrently. Company-specific risks, such as the risks associated with mining operations generally, could have an adverse effect on one or more of the Company's portfolio companies at any point in time.

Cash Flows/Revenue:

Quinsam generates revenue and cash flows primarily from its proceeds from the disposition of its investments, in addition to interest and dividend income earned on the Company's investments. The availability of these sources of funds and the amount of funds generated from these sources are dependent upon various factors, most of which are outside of the Company's direct control. The Company's liquidity and operating results may be adversely affected if access to the capital markets is hindered, whether as a result of a downturn in the market conditions generally or to matters specific to Quinsam, or if the value of the Company's investments decline, resulting in lesser proceeds of disposition and capital losses for Quinsam upon disposition.

Share Prices of Investments:

Quinsam's investments in securities of public companies are subject to volatility in the share prices of the companies. There can be no assurance that an active trading market for any of the subject shares is sustainable. The trading prices of the subject shares could be subject to wide fluctuations in response to various factors beyond the control of Quinsam, including quarterly

variations in the subject companies' results of operations, changes in earnings (if any), estimates by analysts, conditions in the industry of the subject companies and general market or economic conditions. Such market fluctuations could adversely affect the market price of the Company's investments and significantly negatively impact upon the Company's operating results.

Private or Illiquid Securities:

Quinsam invests in securities of private issuers with a near term plan to complete a going public transaction. Investments in private issuers may offer relatively high potential returns, but will also be subject to a relatively high degree of risk. There can be no assurance that a public market will develop for a private company investment or that the Company will otherwise be able to realize a return on such investments. Quinsam may also invest in illiquid securities of public issuers. A period of time may elapse between the time a decision is made to sell such securities and the time the Company is able to do so, and the value of such securities could decline during such period. Illiquid investments are subject to various risks, particularly the risk that the Company will be unable to realize the Company's investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy.

Dependence on Management:

Quinsam is dependent upon the efforts, skill and business contacts of key members of management, for among other things, the information and deal flow they generate during the normal course of their activities and the synergies which exist amongst their various fields of expertise and knowledge. Accordingly, the Company's continued success will depend upon the continued service of these individuals who are not obligated to remain employed with Quinsam. The loss of the services of any of these individuals could have a material adverse effect on the Company's revenues, net income and cash flows and could harm the Company's ability to maintain or grow existing assets and raise additional funds in the future.

Additional Financing Requirements:

Quinsam anticipates ongoing requirements for funds to support the Company's growth and may seek to obtain additional funds for these purposes through public or private equity shares or debt financing. There are no assurances that additional funding will be available to the Company at all, on acceptable terms or at an acceptable level. Any additional equity financing may cause shareholders to experience dilution, and any additional debt financing may result in increased interest expense or restrictions on our operations or ability to incur additional debt. Any limitations on the Company's ability to access the capital markets for additional funds could have a material adverse effect on the Company's ability to grow its investment portfolio.

Outstanding Share Data:

The Company is authorized to issue an unlimited number of common shares (no par value).

As at April 22, 2015, the number of common shares of the Company outstanding and the number of common shares issuable pursuant to other outstanding securities of Quinsam are as follows:

Common Shares	Number Outstanding
Outstanding	26,407,660
Issuable Under Options	546,300
Total Diluted Common Shares	26,953,960

Additional information about the Company's share capital can be found in Note 6 of the Notes to the financial statements as at and for the twelve months ended December 31, 2014.

Segmented Information:

The Company has a single reportable geographic segment, Canada, and all of the Company's Management and assets are located in Canada.

The internal reporting provided to management of the Company's assets, liabilities, and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS. There were no changes in the reportable segments during the twelve months ended December 31, 2014.

Changes in Accounting Policies:

Except as described below, the same accounting policies and methods of computation were followed in the preparation of the interim statements as were followed in the preparation of the annual financial statements as at and for the year ended December 31, 2014.

Future Accounting Policies

IFRS 9 Financial Instruments: This standard replaces the current IAS 39 Financial Instruments Recognition and Measurement. The standard introduces new requirements for classifying and measuring financial assets and liabilities. The effective date of IFRS 9 is January 1, 2018. The Company has not yet evaluated the impact on the financial statements.

IFRS 15 - Revenue from Contracts with Customers, effective for annual periods beginning on or after January 1, 2017, with early adoption permitted, specifies how and when to recognize revenue and enhances relevant disclosures to be applied to all contracts with customers.

Critical Accounting Estimates:

The preparation of the Company's financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Critical accounting estimates used in the preparation of the Company's financial statements are the recognition of the Company's deferred tax asset ("DTA"), the Company's estimate of inputs for the calculation of the value of stock-based compensation expense.

Recognition of Deferred Tax Assets:

The Company follows the liability method of tax allocation in accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. As at December 31, 2014, management determined, based upon the Company's historical level of taxable income that no value should be assigned to the deferred tax asset.

Stock-based Compensation Expense and Warrants:

The Company uses the Black-Scholes option pricing model ("B-S") to calculate stock-based compensation expense and the value of warrants and broker warrants issued as part of the Company's private placements. The B-S requires six key inputs to determine a value for an option, warrant or broker warrant: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. Certain of the inputs are estimates which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. For example, a longer expected life of the option or a higher volatility number used would result in an increase in stock-based compensation expense. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of stock-based compensation expense.

The following table summarizes stock options granted during the twelve months ended December 31, 2014:

Date Granted	Options Granted	Exercise Price	Expiry Date
July 27, 2014	1,926,000	\$ 0.10	July 27, 2019

The expected volatility is based on the historical volatility over the life of the option at Quinsam's share price. Up until recently, the Company has not paid any cash dividends historically and future payments are dependent upon performance of the operation. The risk-free interest rate is based on the yield of Canadian Benchmark Bonds with equivalent terms. The expected option life in years represents the period of time that options granted are expected to be outstanding based on historical options granted.

Black-Scholes option valuation model assumptions used	
Expected volatility	141%
Expected dividend yield	0.00%

Risk-free interest rate	1.50%
Expected option life in years	5
Expected forfeiture rate	0.00%
Fair value per stock option granted on July 27, 2014	\$ 0.0889

Valuation of Unlisted Warrants of Public Companies:

The Company uses the B-S to calculate the fair value of unlisted warrants of public companies if there are sufficient and reliable observable market inputs. If there are no reliable observable and no sufficient market inputs available, the warrants are valued using their intrinsic value. B-S requires six key inputs: risk free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life and expected volatility. The first four inputs are facts not estimates, while the expected life and expected volatility are based on the Company's estimates.

For example, a longer expected life of the warrant or a higher volatility number used would result in an increase in fair value of the warrant. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

As at December 31, 2014, the Company has valued all non-tradable warrants using intrinsic value for a total fair value of \$114,700 (2013 - \$3,250), which is consistent with prior quarters and with the Company's accounting policy for valuing non-tradable warrants.

Outlook:

As we entered 2015, Canadian small cap markets remained weak in large part as a result of investor concerns about falling oil prices. Oil prices have been stabilizing and other parts of the market (notably health care and technology) have been performing well.

As at the date of this report, Quinsam has been focusing its investments largely on the healthcare and technology sectors. Since year end, we have seen a sharp turnaround in performance from Q4.

While overall market conditions are difficult to predict at this time, we are optimistic that our investments will allow Quinsam to perform well over the balance of 2015.

Use of Non-GAAP or IFRS Financial Measures:

This MD&A contains references to "book value per share" (basic and diluted) ("BV") which is a non-GAAP or IFRS financial measure. BV is calculated as the value of total assets less the value of total liabilities divided by the total number of common shares outstanding as at a specific date. BV (diluted) is calculated as total assets less total liabilities divided by the total number of common shares of the Company outstanding as at a specific date, calculated based upon the assumption that all outstanding securities of the Company that are convertible into or exercisable for common shares have been converted or exercised. The term BV does not have

any standardized meaning according to GAAP or IFRS and therefore may not be comparable to similar measures presented by other companies. There is no comparable GAAP or IFRS financial measure presented in Quinsam's financial statements and thus no applicable quantitative reconciliation for such non-GAAP or IFRS financial measure. The Company believes that the measure provides information useful to its shareholders in understanding our performance, and may assist in the evaluation of the Company's business relative to that of its peers.

Additional Information:

Additional information relating to Quinsam Capital Corporation, including its annual management information circular for the Company's most recently completed financial year, is available under the Company's profile on SEDAR at www.sedar.com.